

Fisheries and Land Resources

Annual Report

2017-18



Newfoundland
Labrador

CB



Message

As Minister of Fisheries and Land Resources, I am pleased to present the 2017-18 Annual Report for the Department of Fisheries and Land Resources. The Department is a Category I entity and this report was prepared in accordance with the **Transparency and Accountability Act**. It details the progress made towards achieving the 2017-18 objectives outlined in our 2017-20 Strategic Plan and I am accountable for the results contained within.

This is the first report on our 2017-20 Strategic Plan. It includes highlights on the commitments outlined in the **Agriculture Sector Work Plan**, the **Aquaculture Sector Work Plan**, and **The Way Forward**, and the strategic accomplishments of the Department throughout the 2017-18 fiscal period. The Department of Fisheries and Land Resources will continue to maximize the benefits of the renewable resource industries, and will continue to position the Provincial Government to support economic development and growth in these sectors to achieve better outcomes for Newfoundland and Labrador residents.

The Department, in partnership with other public sectors and industry stakeholders, will continue creating efficient and focused programs and services, and will continue its work to protect natural areas and to sustain, strengthen, and expand our renewable natural resource sectors for the benefit of the people of Newfoundland Labrador.

HONOURABLE GERRY BYRNE, MHA
District of Corner Brook
Minister

CB

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Departmental Overview

The Department of Fisheries and Land Resources (the Department) supports and encourages the development and sustainability of the province's fishing, aquaculture, agriculture, and forestry industries, and Crown lands. Its main responsibilities include the licensing and regulation of the province's fish processing sector; promoting the continued development and diversification of competitive and sustainable agriculture businesses; the effective and sustainable management and development of the province's aquaculture sector; the stewardship of the province's forest environments for the benefit of our residents; and the conservation and protection of the province's inland fish and wildlife, natural areas, and land resources. In addition, the Department is responsible for conservation, marketing, sustainable development, and diversification efforts for the sectors under its mandate. Additional information can be found on the Department's website at <http://www.flr.gov.nl.ca/>.

Staff and Budget

As of March 31, 2018, the Department has 979 positions, including temporary and seasonal staff. The Department is headquartered in St. John's, with 65 regional offices throughout the province to deliver its programs and services. For the 2017-18 fiscal year, the departmental budget was \$71,191,000.

Branch	# of Employees	2017-18 Budget
FISHERIES AND AQUACULTURE	89	\$15,405,400
FORESTRY AND WILDLIFE	467	\$29,936,500
AGRICULTURE AND LANDS	224	\$16,032,500
ENFORCEMENT AND RESOURCE SERVICES	183	\$7,910,600
EXECUTIVE AND EXECUTIVE SUPPORT	16	\$1,906,000
Total Department	979	\$71,191,000

Office Locations:



Highlights and Partnerships

In 2017-18, progress was made in key areas to enhance the Department's programs and services to ensure that the Department and its reporting entities worked together to benefit the renewable resource industries and the residents of Newfoundland and Labrador. The details below illustrate some of the key accomplishments of the past year.

Fisheries and Aquaculture

The Fisheries and Aquaculture branch partnered with other provincial government departments, the Federal Government, and industry to support growth in the fishing and aquaculture industries. Specific examples include the following:

- The Department worked with federal partners to secure funding through the new Atlantic Fisheries Fund (AFF) to support innovation, new infrastructure, a successful transition into greater groundfish activity, science partnerships, marketing, and increased aquaculture production. As of March 31, 2018, there were 194 applications submitted for the AFF from Newfoundland and Labrador. There is currently \$23.7 million in funds allocated for active projects or projects under review. Active projects include eight harvesting technology projects valued at over \$1.3 million, with \$449,063 from Fisheries and Oceans Canada (DFO), \$192,455 from the Provincial Government through the AFF, and \$683,737 from industry.
- The **Aquaculture Sector Work Plan** was launched in September 2017 and includes 28 actions that will help grow the aquaculture industry and stimulate new private sector employment. This document can be found at: www.flr.gov.nl.ca/aquaculturesummit/pdf/Sector-Workplan-Online.pdf.
- A resource listing was released of all the financial program supports available to aquaculture businesses and suppliers. The guide can be viewed at: http://www.fishaq.gov.nl.ca/publications/pdf/funding_pro_guide_businesses_aqua.pdf.
- A federal-provincial collaboration document was developed and distributed to federal departments and agencies. Officials from the Department of Intergovernmental and Indigenous Affairs Secretariat went to Ottawa in January 2018 to advance collaboration with the Federal Government. Departmental staff have also engaged with federal counterparts on areas of shared management.

- The Fisheries Advisory Council (FAC) was established in Spring 2017 and consists of 10 members, including an Independent Chair. The FAC is focused on providing advice on strategic fisheries and aquaculture issues to the Minister and the Department on actions that should be taken to transition the fishing industry to groundfish. In 2017-18, the FAC provided written advice to the Minister on adjacency (i.e. those who reside next to the resource should have priority access to it). Securing access to adjacent resources is integral to the long term sustainability of the Newfoundland and Labrador economy, particularly in rural areas where the fishing industry is the main employer.
- The Department partnered with the Atlantic Provinces and the Atlantic Canada Opportunities Agency under the Atlantic Growth Strategy to advance the food sector in Atlantic Canada. This is a cross-departmental initiative and will increase competitiveness in the fish and seafood industry. It includes initiatives to address challenges with transporting live and perishable food items to and from the province.

Agriculture and Lands

During the 2017-18 fiscal year, the Agriculture and Lands branch worked towards increasing the province's food sustainability by partnering with industry and other Provincial Government departments and agencies.

Such partnerships and accomplishments include the following:

- The **Agriculture Sector Work Plan** was released on October 23, 2017, and contains 43 actions to support increased agriculture growth, food security, and food self-sufficiency including: implementing a pilot project to serve locally-grown farmed products in public health facilities; provide fruit and vegetable seedlings to producers at cost for priority crops; partner with community organizations and other stakeholders to improve the distribution of healthier, more affordable locally produced food products in Labrador, etc. This document can be found at: http://www.flr.gov.nl.ca/agriculturesummit/pdf/Agriculture%20Sector-Workplan_Final.pdf.
- The Department delivered a Provincial Agrifoods Assistance Program to continue developing agricultural land, grow the industry, and improve our food self-sufficiency. All program funds were committed and over \$3.15 million was expended on 105 infrastructure and land development projects to increase the amount of agricultural land in production and to support growth and development in the agriculture sector.
- The Department designated provincial government industry facilitators to liaise with new entrants or existing producers in early stages of



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development or expansion to guide them through provincial policies and support programs. Agricultural Industry Facilitators, consisting of both Agrologists and Agriculture Development Officers, provide consultative and advisory support for crop and livestock development.

- In January 2018, the Department entered into a new five-year \$37 million cost-shared Canadian Agricultural Partnership Multilateral Agreement with the Federal Government. This Agreement replaces the previous Growing Forward 2 Agreement and will ensure that supports are in place for land and infrastructure development, farming employment opportunities are created, and business development needs of existing farmers supported. The Department worked with Agriculture and Agri-Food Canada and the Newfoundland and Labrador Federation of Agriculture (NLFA) to conduct four Canadian Agricultural Partnership industry engagement sessions in December 2017, in support of the development of the agreement.
- In 2017-18, Growing Forward 2 expended \$7,560,660 on 229 projects to enhance profitability, sustainability, and competitiveness in the agriculture sector of Newfoundland and Labrador. Projects funded improved food safety, environmental sustainability, animal welfare, and supported market development, human resource development, and business development. Projects such as the Young Farmers Forum enhanced resources available to new entrants, and agriculture awareness was elevated by projects such as Agriculture in the Classroom, Open Farm Day, and the Agrifoods and Garden Show.
- The newly formed Center for Agriculture and Forestry Development was announced at the Agriculture Summit in Wooddale in October 2017 and the planning for agriculture production at the facility has been completed. This includes greenhouse propagation of fruits and vegetables. Several greenhouses have been identified exclusively for agriculture purposes and 18 acres of land has been enhanced for agriculture. An oversight committee, including industry representatives, has been formed to ensure that it meets the need of industry.

Enforcement and Resource Services

Fish and Wildlife Enforcement Officers had a busy year in 2017-18 with their efforts to ensure that people in Newfoundland and Labrador understand the importance of conservation and protection of our valuable fish and wildlife resources and public safety. Intelligence-led investigations, which uses information provided by the general public as well as intelligence that was gathered by Fish and Wildlife Enforcement Officers,

continued to be the focus of enforcement efforts which often involved coordinated operations with other provincial and federal law enforcement agencies.

- Fish and Wildlife Enforcement Officers work around the clock in extreme environmental conditions to protect the province's valuable fish and wildlife populations and enhance public safety in Newfoundland and Labrador. Particularly alarming was the number of firearm related offences that officers encountered. Officers responded to 3,398 complaints of illegal activity and laid 1,029 charges. Common violations included carrying a loaded firearm on a vehicle, shooting across a road, and shooting near a school or playground. These types of violations have a direct negative impact on public safety, often with the potential of severe safety consequences. Again this year, the general public played a key role in providing information of illegal activity to officers.
- Officers continued to be active in community events such as the Law Enforcement Torch Run, Polar Plunge, Special Olympics, numerous Christmas parades and toy drives, community cleanups, and frequent visits and presentations to schools, youth and user groups.
- In undertaking compliance and enforcement activities, the Department partners with: the Royal Newfoundland Constabulary, the Royal Canadian Mounted Police, DFO, Environment and Climate Change Canada, Parks Canada, and Nunatsiavut Conservation Officers.
- The GIS and Mapping Division (GIS - Geographical Information System) worked with the Office of the Chief Information Officer to provide public access to the Provincial Land Use Atlas (LUA). The LUA provides the public with user-friendly mapping that shows up-to-date land use information through a web mapping application. The LUA helps improve the application process for Crown lands, enhances access to Crown lands, and delivers more services online, which is in line with **The Way Forward**.

Forestry and Wildlife

This branch continues to support the province's forestry and wildlife sectors. Examples of accomplishments from this branch include:

- In October 2017, the Department announced amendments to the **Wildlife Regulations** involving youth and the requirements to use a firearm for hunting and trapping. The Department also developed new policies for persons with disabilities unable to participate in the firearm safety and hunter education program in order to enter the big game licence draw. The Department is working on implementing these

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- policies in Fall 2018. These initiatives benefit all residents by enhancing opportunities to access our wildlife resources.
- The Department advanced The Big Game application process by two months, which provides citizens with an earlier response so they could plan their hunting season.
 - The Department conducted classifications of 12 caribou herds in Fall 2017 to evaluate herd performance by measuring the number of calves surviving from Spring to early Fall, the ratio of males to females, and the ratio of large stags in each herd. It led Moose Management Area surveys in five areas and one sub area, and one transect survey in Southern Labrador. It also conducted Mark Recapture Caribou Surveys for four caribou herds to estimate population size.
 - Plans to develop **The Way Forward on Forestry: Sector Work Plan** were announced in March 2018. Work continues on the plan, with expectation to launch in Fall of 2018.
 - In 2017-18, the Department received 1,053 forestry and wildlife related complaints of illegal activity and laid 1980 charges. The Department continues to enforce its mandate to protect the province's natural resources as these offences can have a detrimental impact.
 - As part of the International Organization for Standardization (ISO)14001 Environmental Management System (EMS) commitment to manage forestry operations from an environmental perspective and meet the requirements of the Significant Environmental Aspects (SEA's), a total of 2,223 environmental management compliance inspections were carried out on commercial and domestic harvesting operations, road building, silviculture, and the insect and disease program. In 2017-18, 28,798 enforcement checks and 2,186 sawmill inspections and Crown land referrals were completed. In addition, the Department received 2,368 problem wildlife complaints.
 - As part of the ISO 14001:2004 Standard certification requirements, ten essential elements were met in 2017-18 and no major non-conformances were identified. Three minor non-conformances were found which resulted in the development of action plans. The action plans will be fully implemented in 2018-19. The audit reported overall continuous improvement in its environmental management.
 - The Department reviews its SEA's annually and determines if there are any implications for the strategic direction of the organization. The Department will prepare to undergo its first audit to a new standard and transition to the ISO 14001:2015 Standard requirements in 2018-19.

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- The Forest Fire Management and Coordination program is mandated to protect our forest resources, recreational and aesthetic values, as well as, public and private property from the effects of wildland forest fires while preserving the health and well-being of all those who use and benefit from our forests. In 2017-18, Newfoundland and Labrador experienced a historically low number of fires and areas burned due to a relatively wet spring and summer. Forest fire staff participated in several national deployments to British Columbia and Alberta, and one of our water bombers was deployed to Manitoba. Staff also participated in numerous FireSmart community meetings where the principles of protecting homes from wildfires were discussed. In 2017, fire danger maps for the province were made available on-line which gave the general public daily information on fire weather indices.
- An important component of sustainable forest management is the protection of our forest from uncontrolled outbreaks of forest insect and disease pests. These pests can cause widespread growth losses and tree mortality. In 2017-18, FLR staff conducted province wide surveys to identify population levels of various insects with special emphasis placed on eastern spruce budworm and hemlock looper. A successful aerial control program for hemlock looper was conducted on the Northern Peninsula in the area of Squid Cove and the program finalized the installation of 22 remote automated weather stations for monitoring of insect development as well as collection of data for the Forest Fire Management & Coordination Program. Results of insect population monitoring indicate that a control program for Summer 2018 is not required.
- In 2017-18, a total of 3,439 hectares of harvested and naturally disturbed forest sites were reforested including 1,010 hectares completed by Corner Brook Pulp and Paper Ltd. (CBPPL). The majority of tree seedlings are produced from genetically improved stock at the Wooddale Provincial Tree Nursery in central Newfoundland. Genetically improved planting stock produces larger trees and greater wood volumes to support the forest industry into the future. In addition to reforestation, 334 hectares of land was silviculturally treated through plantation maintenance and pre-commercial thinning.
- In March 2018, the Department made significant advancements on several commitments of **The Way Forward**. These include: the implementation of our new **Commercial Permit Allocation Policy**, the issuance of new five year commercial cutting permits, and four new Timber Sale Agreements (TSA) were advertized.

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- 2017-18 was a difficult year for CBPPL as they were assigned both Countervailing Duties of 22.16 per cent and an Antidumping tariff of 9.93 per cent on all uncoated groundwood paper imported into the United States. The combined tarriff applied to CBPPL is 32.09 per cent. Department officials participated in the audit and continue to work with CBPPL to find new and inovative ideas to support this industry.

Report on Performance

Throughout the 2017-18 fiscal year, the Department continued to work collaboratively with industry stakeholders and partners, including other jurisdictions and government departments, academic institutions, and public bodies. This section of the Annual Report details the significant work undertaken and completed by the Department on its goals during the 2017-18 reporting period and the progress towards achieving the goals set out in its 2017-20 Strategic Plan.

Strategic Issue 1 - Food Self-Sufficiency and Security

As part of the **Agriculture Sector Work Plan**, Government has committed to increase the province's food self-sufficiency to at least 20 per cent by 2022. Food security and self-sufficiency has become of increasing importance for the residents and businesses of Newfoundland and Labrador. Currently, the province is approximately 10 per cent self-sufficient in its non-supply managed agrifoods requirements. Doubling food self-sufficiency will require the province to increase the production of crops, livestock and other farmed products, and to also increase secondary production of those commodities. Improving food self-sufficiency will generate jobs on farms and in manufacturing, particularly in secondary processing of food products, including industrial milk, industrial eggs, cranberries, fruit and vegetables, and meat. Newfoundland and Labrador is well positioned to double food self-sufficiency as this province is creating significant new farm land. Efforts to address this issue align with **The Way Forward** commitment to focus on food production and increased food self-sufficiency.

GOAL:

By March 31, 2020, the Department of Fisheries and Land Resources will have increased the province's food self-sufficiency.

Objective 1:

By March 31, 2018, the Department of Fisheries and Land Resources will have commenced activities to support increased food self-sufficiency and security.

Indicators:

- Completed a pilot project to undertake large-scale land development on priority areas of interest.
- Commenced transition of the Wooddale Tree Nursery to become a centre for agriculture and forestry development.
- Improved the Crown land approval process to create further opportunities for new entrants to the agriculture sector.
- Developed a sector action plan to support increased agriculture growth, food security and food self-sufficiency.

RESULTS

Completed a pilot project to undertake large-scale land development on priority areas of interest.

A site was selected for the pilot project in Reidville and site preparation began in the Fall 2017. Site remediation efforts were finalized on January 24, 2018, and the site was released through a Request for Proposal process on January 31, 2018. The first large-scale land development pilot was announced and advertised on February 1, 2018.

The Department sought applicants to operate and develop the land as a Crown Land Agriculture Lease for commercial development in fruit and vegetables. Applications were due by March 9, 2018, and the successful applicants will be announced early in 2018-19.

Commenced transition of the Wooddale Tree Nursery to become The Centre for Agriculture and Forestry Development.

In 2017-18, the Department transitioned the Wooddale Tree Nursery from a tree nursery to a Centre of excellence for agriculture and forestry development. Throughout the year, land development to support research activities was completed; several greenhouses were identified exclusively for agriculture purposes and 18 acres of land has been enhanced for agriculture. Two greenhouses were also modified into nuclear seed potato production greenhouses.

The proof of concept activities for fruit and vegetable crops are ongoing. Propagation of blueberry and partridgeberry plants has begun and



collaborative research efforts with Memorial University is in the planning stages.

Improved the Crown land approval process to create further opportunities for new entrants to the agriculture sector.

The Department implemented a new Crown land approval process to reduce the timeline for processing of all Crown lands applications. A 90 business day service standard has been established and published on the FLR website. In addition, all agriculture applications, which are not specific to new entrants, are being prioritized. New entrants were prioritized for the large-scale Crown land development initiative in the Reidville area. There were three applications submitted by new entrants in 2017-18.

Developed a sector action plan to support increased agriculture growth, food security and food self-sufficiency.

On October 23, 2017, an **Agriculture Sector Work Plan** was released, http://www.flr.gov.nl.ca/agriculturesummit/pdf/Agriculture%20Sector-Workplan_Final.pdf. The Department contributed to the development of the work plan by providing support and guidance during Steering Committee deliberations and discussions through the provision of presentations, support material, and policy analysis.

The sector plan contains 43 actions to support increased agriculture growth, food security, and food self-sufficiency including; implementing a pilot project to serve locally-grown farmed products in public health facilities; provide fruit and vegetable seedlings to producers at cost for priority crops; partner with community organizations and other stakeholders to improve the distribution of healthier, more affordable locally produced food products in Labrador, etc.

DISCUSSION OF RESULTS

Throughout the 2017-18 fiscal year, the Department has been addressing the province's food self-sufficiency and security, and it has undertaken and advanced a number of successful initiatives, including: the completion of a pilot project to undertake a large-scale land development, commenced the transition of the Wooddale Tree Nursery to become a center for agriculture



and forestry development, improved the Crown land approval process, and developed an **Agriculture Sector Work Plan**. The Department has made more Crown land available for agriculture purposes through new agriculture areas of interest (AOI). There were 59 AOI's identified in 2017, totaling approximately 62,000 hectares, 19 of these were initially available on the Department's website for application with an additional 22 added in November-December 2017. This gave a total area available for development of approximately 44,000 hectares. The Department has taken significant steps towards doubling food self-sufficiency by 2022.

Objective 2:

By March 31, 2019, the Department of Fisheries and Land Resources will have continued activities to support increased food self-sufficiency and security.

Indicators:

- Implemented a pilot project to serve locally-grown farmed products in public health facilities.
- Provided fruit and vegetable seedlings to producers at cost for priority crops.
- Supported negotiations with industry stakeholders towards establishment of an egg quota for Labrador.
- Identified new land for agricultural zoning in Labrador, including encouraging use of land already identified.
- Identified means to provide abattoir services to producers in Labrador to support the establishment of viable local livestock operations.
- Identified options to establish an inspected slaughter facility for the production of meat products for retail in the province, including undertaking a study to examine the feasibility of creating a mandatory meat inspection program in the province.

Strategic Issue 2 - Innovative and Sustainable Resource Growth, Development, and Diversification

The renewable resource sectors of Newfoundland and Labrador are key employers and contributors to the provincial economy, particularly in rural areas of the province. These vital resources require innovative solutions to foster sustainability and enable continued expansion. The Department is committed to innovation, development, and diversification to grow our

renewable resource sectors, while protecting and ensuring sustainable management of these resources. The Department is also committed to developing environmentally-friendly industries that protect resources and natural areas and will continue to support research and development opportunities, as well as value-added product development. Efforts to address this issue align with the strategic directions of Government and contribute to focus areas including: sector growth, development, and modernization; research and development; market development; resource protection and sustainability; and natural area protection. This work also contributes directly to commitments in **The Way Forward**, including supporting growth of the aquaculture industry to reach 50,000 tonnes of salmon production annually and 10,750 tonnes of mussel production annually.

GOAL:

By March 31, 2020, the Department of Fisheries and Land Resources will have supported the innovative and sustainable growth, development, and diversification of renewable resource sectors.

Objective 1:

By March 31, 2018, the Department of Fisheries and Land Resources will have commenced activities to support the sustainable growth, development and diversification of renewable resource sectors.

Indicators:

- Worked to complete action items under the Provincial Sustainable **Forest Management Strategy** related to forestry industry research and development.
- Advanced fruit and vegetable propagation and research activities.
- Supported quality harvesting, processing, and marketing initiatives in renewable resource sectors.
- Offered five per cent of the Crown Annual Allowable Cut through Timber Sale Agreements.
- Developed a Commercial Timber Allocation Policy.
- Established aquaculture licence criteria to maintain active licences.
- Assisted the Fisheries Advisory Council in its development of a strategic action plan on cod revitalization.
- Reviewed legislation, policies, and programs to optimize the value of seafood resources.

RESULTS

Worked to complete action items under the Provincial Sustainable Forest Management Strategy related to forestry industry research and development.

The work related to the **Provincial Sustainable Forest Management Strategy** (PSFMS) continued in 2017-18. The Department has completed 14 of the 37 action items from the strategy. There were six completed in 2017-18, including: a provincial forest research strategy, domestic permits available online, fire program review, new fibre allocation policy, completed analysis of a transportation and fibre flow optimization model, and a report on the feasibility and options for forest certification. The committee will meet early in 2018-19 to finalize the items that were highlighted for implementation throughout 2014-2017, and to ensure the Department is on track to complete those actions highlighted for mid-term deployment (2018- 2019).

Advanced fruit and vegetable propagation and research activities.

Fruit and vegetable propagation is the multiplication of plant material and vegetable seedlings that can be provided to new and existing farmers to foster growth in the industry.

In 2017-18, the Department collaborated with Agriculture and Agri-Food Canada (AAFC) to complete field trials on blueberries and cranberries at Pynns Brook and Wooddale. Planning is also in place to modify two greenhouses at Wooddale to become nuclear seed potato production greenhouses in 2018-19. Collaborative research efforts with Memorial University are in the planning stages.

Supported quality harvesting, processing, and marketing initiatives in renewable resource sectors.

In the fishing and aquaculture industries, under the Seafood Innovation and Transition Program (SITP), there were 142 applications submitted from April 1, 2017 to March 31, 2018, with 65 applications approved for \$1.8 million in funding for processing, harvesting, marketing, aquaculture, research, and other projects. Since April 2017, \$417,278 was approved

for the harvesting sector to adapt new gear technology to transition from gill nets; \$292,210 was approved for processing related projects; \$109,415 was approved for marketing related projects; \$259,852 was approved for aquaculture related projects; \$486,214 was approved for research projects; and, \$288,133 was approved for other initiatives (funding to industry associations such as NAIA, WWF, FFAW and SPONL).

In the forestry sector, the Department explored the use of LiDAR data to help improve operational forest management in a study area in western Newfoundland (Project # 221322). LiDAR is a surveying method that measures distance to a target by illuminating the target with pulsed laser light and measuring the reflected pulses with a sensor. The project led to the development of decision-tools and construction workflow automations that will help process future LiDAR datasets. The work from this project is intended to result in improved forest management in an ecologically sustainable manner. The Department has received the final report and the LiDAR decision tools and GIS data layers (outputs) created for this study from the consultant. These deliverables have also been provided to Corner Brook Pulp and Paper Limited.

Offered five per cent of the Crown Annual Allowable Cut through Timber Sale Agreements.

In March 2018, five per cent of the Crown Annual Allowable Cut (i.e., 65,000 m³ of wood) was offered through four Timber Sale Agreements (TSA) on the Department's website, <http://www.faa.gov.nl.ca/forestry/permits/>. The Department also advertised the TSAs in local newspapers on March 24 and 31, 2018.

Developed a Commercial Timber Allocation Policy.

A **Cutting Permit Allocation Policy** was finalized and the policy was communicated to forest industry stakeholders on March 23, 2018. This policy is designed to increase resource usage and provide more opportunities to promote forest industry growth. Under the new policy, timber that has been traditionally underutilized will be available to new entrants and contractors who are able to meet the increased capacity. Recognizing the challenges of operational forest harvesting, FLR staff will be evaluating the previous two years of a company's logging activity to



guide recommendations on future permit volumes. This will ensure that allocations are matched with a company's ability to harvest and market their products. The **Cutting Permit Allocation Policy** was announced on March 26, 2018, and comes into effect on January 1, 2019.

<http://www.releases.gov.nl.ca/releases/2018/ffa/0326n09.aspx>

Established aquaculture licence criteria to maintain active licences.

The Minister met with industry on December 13, 2017, to discuss inactive aquaculture licences and inactive applications. Industry was informed that all inactive applications were to be removed from the system. In total, 23 applications were cancelled, freeing up 463 hectares of marine water that is suitable for aquaculture development. Companies with inactive aquaculture licenses were required to submit development plans to the Department, in order to maintain the site licence. In order to alleviate inactive applications going forward, the Department drafted an Inactive Application Policy that is currently under review. The Department also reviewed the current site utilization policy and proposed an amended policy. As committed to in the **Aquaculture Sector Work Plan**, the Department consulted with industry on the proposed New Site Utilization Policy and is in the process of reviewing industry feedback, prior to finalizing.

Assisted the Fisheries Advisory Council in its development of a strategic action plan on cod revitalization.

The Fisheries Advisory Council (FAC) was established in Spring 2017 and consists of 10 members, including an Independent Chair. The FAC is focused on providing advice on strategic fisheries and aquaculture issues to the Minister and the Department on actions that should be taken to transition the fishing industry to groundfish. The FAC met six times in 2017-18: August 3, October 13, November 22, January 18, February 8, and March 16. The FAC provided written advice to the Minister on adjacency. Securing access to adjacent resources is integral to the long term sustainability of the Newfoundland and Labrador economy, particularly in rural areas where the fishing industry is the main employer.

The FAC has also been asked to provide advice on encouraging new entrants to the fishery, marketing requirements, and logistics to improve industry competitiveness. These areas are important to the industry as



the industry transitions from a highly lucrative shellfish industry to one predominantly dependent on groundfish in order to extract more value from available resources. The Department assisted the FAC by facilitating meetings, providing data relevant to their research and work, and providing background information on adjacency.

Reviewed legislation, policies, and programs to optimize the value of seafood resources.

In 2017-18, the Atlantic Fisheries Fund (AFF) was established. Consultations and promotion of the program began in September 2017, with stakeholders from the fisheries and aquaculture sectors. The AFF secretariat engages stakeholders to discuss provincial priorities in order to assess how to strategically invest the fund and provides its 30 per cent financial share of project contributions. The Department supported the AFF secretariat in the review and development of AFF program policies and guidelines. The policy contributions made to the program considers the province's priorities and how the applicants can meet these priorities.

The Department worked to review and implement improvements to the Crown lands referral process for shellfish aquaculture sites. The Department ensured that data utilized for the referral process is accurate and up-to-date and that changes to the dataset would be captured going forward. Shellfish site referral policies for both aquaculture and Crown lands were reviewed to ensure that policies were consistent and addressed the need for a buffer around aquaculture shellfish sites.

The Department reviewed provincial fees for aquaculture, as committed under the **Aquaculture Sector Work Plan**. Industry was consulted on the results of the review and the Department is reviewing industry feedback.

Aquaculture staff met with growers and processors to identify constraints to growth in the shellfish sector. To support expansion activities on an on-going basis, a compilation of current funding programs available to aquaculture shellfish operators was developed. In addition, the Department provided \$31,480 in funding to support organic and Best Aquaculture Practices re-certification of the mussel industry in March 2018. Certification is required by most major seafood buyers globally.



DISCUSSION OF RESULTS

During 2017-18, the Department initiated activities to support the sustainable growth, development and diversification of the renewable resource sectors of Newfoundland and Labrador. These initiatives include: the completion of six action items under the **Provincial Sustainable Forest Management Strategy** related to forestry industry research and development; advanced fruit and vegetable propagation and research activities; supported quality harvesting, processing, and marketing initiatives in renewable resource sectors; increased the amount of Crown Annual Allowable Cut available through Timber Sale Agreements; developed a **Cutting Permit Allocation Policy**; established aquaculture licence criteria to maintain active licences; supported the Fisheries Advisory Council's research activities; and reviewed legislation, policies, and programs to optimize the value of seafood resources. The Department made significant progress with supporting sustainable growth of the province's renewable resource sectors.

Objective 2:

By March 31, 2019, the Department of Fisheries and Land Resources will have developed and implemented initiatives to support the sustainable growth, development and diversification of renewable resource sectors.

Indicators:

- Shift to a multi-year licensing system that corresponds to the life-cycle of the fish.
- Worked with counterparts under the Atlantic Fisheries Fund to provide funding for technology innovation, research and infrastructure to support mussel and salmonid sector growth.
- Contributed to the development of a forestry sector work plan to support diversification in the province's forestry sector.
- Reviewed and strengthened the development conditions on agriculture leases.
- Participated in the comprehensive national review of agricultural business risk management and increased promotion of business risk management programs to provincial farmers.



Opportunities and Challenges

The renewable resources of Newfoundland and Labrador are vital to the province. They are important economic drivers and provide employment opportunities to the residents of this province. The role of the Department is to ensure the sustainability of our resources and facilitate growth within these industries.

Opportunities

The industries and people that are represented by the Department have an array of opportunities to pursue. These include sustainably growing the fishing, aquaculture, agriculture and forestry industries, and improving regulations that protect the natural environment and wildlife of this province. The Department supports fisheries and land resources through policies and programs aimed at helping these industries adapt and succeed, encouraging innovation, and supporting new opportunities that improve efficiency and product quality, while mitigating environmental impact and promoting sustainability.

New trade agreements, eco-certification, and product traceability initiatives provide opportunities for industries to expand through increased market access and the development of high quality and value-added products. The Fisheries Advisory Council will provide industry stakeholders an opportunity to collaborate on initiatives to increase the overall viability and competitiveness of the fishing industry. There is an opportunity to expand the aquaculture sector to 50,000 tonnes for salmonids and 10,750 tonnes for mussels. The **Aquaculture Sector Work Plan** outlines activities and initiatives aimed at positioning the industry to maximize the benefits arising from emerging opportunities.

The development of sector work plans will help guide the Department's support of the industries it represents. For land resources, there is opportunity to build on the accomplishments to date relating to natural heritage and wildlife, and to generate strong solutions for sustainability, food self-sufficiency, and food security. FLR's new updated **Cutting Permit Allocation Policy**, along with newly implemented Timber Sale Agreements and five year commercial cutting permits, supports the goal to increase timber allocations and harvest levels by 20 per cent by 2020 as stated in **The Way Forward**. In an effort to diversify the forest industry,



FLR provided financial support to the Newfoundland and Labrador Forest Industry Association to help prepare a strategic opportunities analysis that will help industry focus on diversification opportunities. In addition, FLR continued its partnership with Memorial University of Newfoundland to advance biofuel development from forest biomass in an effort to expand Newfoundland and Labrador's bioeconomy.

FLR will continue to expand collaboration and partnerships with internal and external stakeholders as part of ongoing sector work plan initiatives.

Challenges

The province's fisheries and land resources face several challenges. These sectors all face an aging workforce as well as attraction and retention issues, particularly in industries that are largely based in rural areas of the province. International trade is challenged by market price fluctuations, exchange rate volatility, and competition from producers in other provinces and countries.

The province's fishing industry is facing a regime shift, from an industry that is focused on shellfish towards one that is groundfish-dominated. This shift will present challenges such as resource uncertainty, overcapacity in both the harvesting and processing sectors, seasonality of the industry, and replacing infrastructure.

The aquaculture industry will experience a different set of challenges as it continues to expand, including the need for regional and local infrastructure and supply and support services to keep pace with expansion pressures such as increased capital fees, requirements for data collection, climate change, and public misinformation regarding the aquaculture industry.

The agriculture industry faces challenges in increasing local agriculture production in an economically and sustainable manner to ensure the optimal benefits to the agricultural community. Essentially, our cool wet climate and rocky soils make agriculture in this province challenging, which drives up the cost of production for most of the producers and makes them vulnerable to price-based competition from elsewhere.



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The forest industry faces challenges relating to rising transportation costs, trade barriers, maintaining a competitive advantage, and a decline in global demand for newsprint and other print materials.



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ANNEX A: Financial Statements

Department of Fisheries and Land Resources Statement (Unaudited) of Expenditures and Related Revenue *			
Summary for the Year Ended March 31, 2018*	ESTIMATES		
	Original	Amended	Actual
	\$	\$	\$
EXECUTIVE AND SUPPORT SERVICES			
Minister's Office			
Minister's Office	279,800	318,300	312,959
General Administration			
Executive Support	1,326,200	1,400,200	1,391,489
Administrative Support	463,100	463,100	28,181
Revenue – Provincial	(28,000)	(28,000)	-
Executive and Support Services Subtotal	2,069,100	2,181,600	1,732,629
FISHERIES AND AQUACULTURE			
Administration and Support Services			
Administration and Support Services	2,259,600	2,569,600	2,293,754
Revenue – Provincial	(10,000)	(10,000)	(128,737)
Fisheries Programs			
Seafood Marketing and Support Services	833,500	838,500	786,706
Licensing and Quality Assurance	366,200	381,200	361,327
Fisheries Innovation and Development	2,366,500	2,292,500	2,115,190
Fisheries Innovation Fund	3,000,000	500,000	1,500,000
Revenue – Federal	(7,000,000)	(7,000,000)	-
Seal Product Inventory Financing	(150,000)	(150,000)	(55,434)
Revenue – Provincial	(150,000)	(150,000)	(55,434)
Aquaculture Development			
Aquaculture Development and	1,243,300	1,275,800	1,261,777
Revenue – Provincial	-	-	(650)



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Aquaculture Capital Equity Investment	2,838,200	2,838,200	(388,424)
Revenue – Provincial	-	-	(1,752,484)
Aquaculture Licensing			
Aquaculture Licensing	161,600	191,900	188,569
Aquatic Animal Health			
Aquatic Animal Health	1,748,000	1,734,000	1,725,589
Fisheries and Aquaculture Subtotal	14,666,90	12,471,70	9,789,054
FORESTRY AND WILDLIFE			
FOREST MANAGEMENT			
Administration and Program Planning	5,458,700	6,043,400	5,786,743
Revenue – Federal	-	-	(4,300)
Operations and Implementation	10,397,80	10,892,10	10,703,935
Silviculture Development	5,641,600	5,831,600	5,742,772
Revenue – Provincial	(1,000)	(1,000)	(3,262)
FOREST PROTECTION			
Insect Control	1,073,100	1,028,100	928,440
Fire Suppression and Communications	4,739,500	4,374,500	3,736,545
Revenue – Provincial	-	-	(359,309)
WILDLIFE			
Administration, Licensing and Operations	1,386,900	1,512,400	1,478,066
Endangered Species and Biodiversity	330,100	346,100	313,102
Stewardship and Education	999,900	1,014,900	955,539
Habitat, Game and Fur Management	1,189,600	1,563,600	1,533,907
Research	1,314,400	1,274,400	1,205,984
Cooperative Wildlife Projects	164,700	139,700	169,573
Revenue – Federal	(272,000)	(272,000)	(149,698)
Forestry and Wildlife Subtotal	31,623,20	32,992,70	31,626,166
AGRICULTURE AND LANDS			
LAND RESOURCE STEWARDSHIP			



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Land Resource Stewardship –	2,914,700	2,674,700	2,652,689
Revenue – Provincial	(124,900)	(124,900)	(19,045)
Limestone Sales	271,800	271,800	299,106
Revenue – Provincial	(140,000)	(140,000)	(52,000)
Land Development	1,303,000	1,303,000	559,533
PRODUCTION AND MARKET DEVELOPMENT			
Production and Market Development – Administration	2,409,700	2,539,700	2,463,369
Revenue – Provincial	(10,000)	(10,000)	(38,365)
Marketing Board	137,200	189,500	171,299
AGRICULTURAL BUSINESS DEVELOPMENT			
Agricultural Business Development -	2,086,400	2,066,400	1,973,899
Agriinsurance and Livestock Insurance	239,100	239,100	53,731
Revenue – Federal	(210,000)	(210,000)	(206,586)
Agricultural Initiatives	3,250,000	3,250,000	3,140,206
Growing Forward 2 Framework	3,934,600	5,934,600	8,751,334
Revenue – Federal	(4,719,500)	(4,719,500)	(1,899,979)
Revenue – Provincial	(10,000)	(10,000)	-
ANIMAL HEALTH			
Administration and Support Services	2,559,100	2,539,500	2,132,619
Revenue – Provincial	(830,000)	(830,000)	(1,182,247)
AGRIGOODS RESEARCH AND			
Research and Development	964,800	929,800	898,219
LANDS			
Crown Land	3,901,900	3,566,900	3,462,886
Revenue - Provincial	(55,000)	(55,000)	(108,932)
Land Management and Development	(7,102,900)	(7,471,400)	(2,818,821)
Revenue - Provincial	(8,593,000)	(8,593,000)	(3,792,482)
Agrifoods and Lands Subtotal	16,869,400	18,033,600	23,740,069



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ENFORCEMENT AND RESOURCES			
POLICY AND PLANNING SERVICES			
Policy, Planning and Administration	1,896,500	2,064,500	1,685,630
Revenue – Provincial	(2,000)	(2,000)	(40,671)
Revenue – Federal	-	-	(317,474)
Sustainable Fisheries Resources and Oceans Policy	517,400	527,400	522,623
Coordination and Support Services	762,000	1,262,000	916,577
ENFORCEMENT			
Compliance and Enforcement	1,203,500	1,044,500	929,095
Fish and Wildlife Enforcement	6,861,800	6,181,800	6,057,066
Enforcement and Resource Services	11,241,20	11,080,20	10,110,991
Department Total	76,469,80	76,759,80	76,998,909

*Expenditure and revenue figures included in this document are based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for Fiscal Year Ended 31 March 2018.

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Annex B – List of FLR Entities

Entity	Year End	Category
Farm Industry Review Board	March	3
Land Consolidation Review Committee	March	3
Livestock Owners Compensation Board	March	3
Newfoundland and Labrador Crop Insurance Agency	March	3
Newfoundland and Labrador Geographical Names Board	March	3
Species Status Advisory Committee	March	3
St. John's Land Development Advisory Authority	March	3
St. John's Urban Region Agricultural Appeal Board	March	3
Wilderness and Ecological Reserves Advisory Council	March	3
Wooddale Land Development Advisory Authority	March	3
Fish Processing Licencing Board	December	3
Professional Fish Harvesters Certification Board	December	3
Appeal Board of the Professional Fish Harvesters Certification Board	December	3
Chicken Farmers of Newfoundland and Labrador	December	3
Timber Scalers Board - Inactive	March	3
Forest Land Tax Appeal Board - Inactive	March	3
Professional Fish Harvesters Disciplinary Board - Inactive	December	3
Newfoundland and Labrador Farm Products Corporation - Inactive	March	3

